#### **NASA TIGR**

**June 11, 2003** 



## Innovation in America in the 21<sup>st</sup> Century Maximizing Technology Transfer

Bruce P. Mehlman

Assistant Secretary for Technology Policy

U.S. Department of Commerce



## Technology Transfer in America, 2003















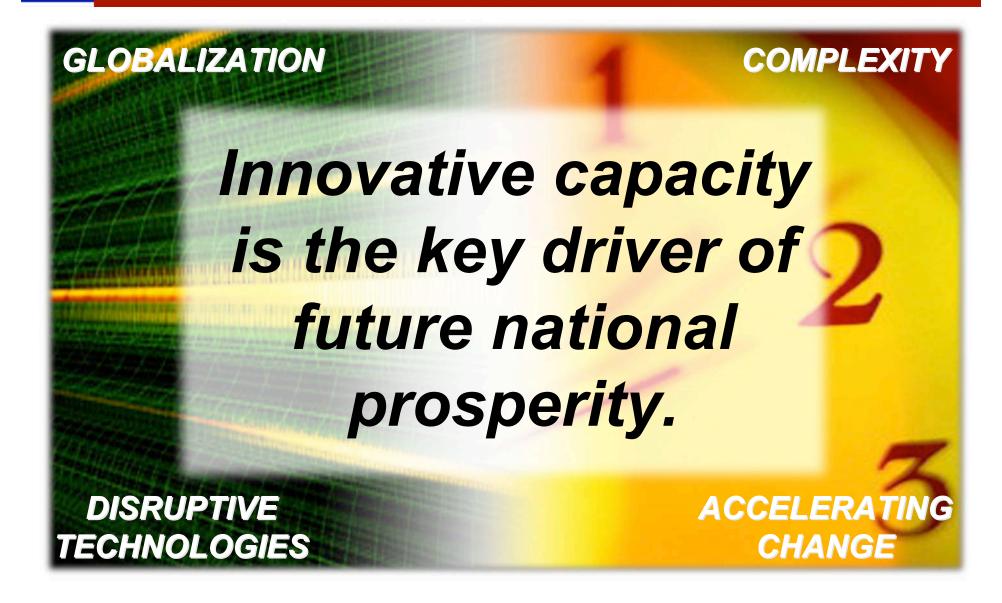
"[Our technology transfer system] is the worst in the world *EXCEPT* for all the others that have been tried so far."

Every other developed economy is trying to copy our success.

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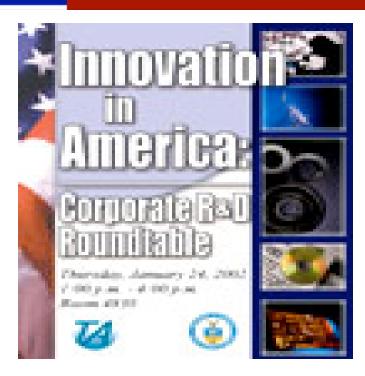


# The Wealth of Nations is Changing Change Dynamics





# The Role of Labs & Tech Transfer?: The Questions





- Is tech transfer still valued or valuable?
- Can labs still be good partners in today's speedto-market, global world?
- Are labs fully aware-of and maximizing their intellectual capital?
- Do we need to change or fix the tech transfer laws and policies?

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### NEEDED:

### Realistic Expectations

#### **Industry Misconceptions**

### "Tech transfer is easy; pots of gold"

- "Tech transfer is impossible; red tape reigns"
- "Labs' role is to serve industry and promote economic growth."

#### **Lab Misconceptions**

- "Industry can survive at government speed."
- "Industry needs the labs and will always wait."
- "Industry is aware of labs' capabilities and resources."



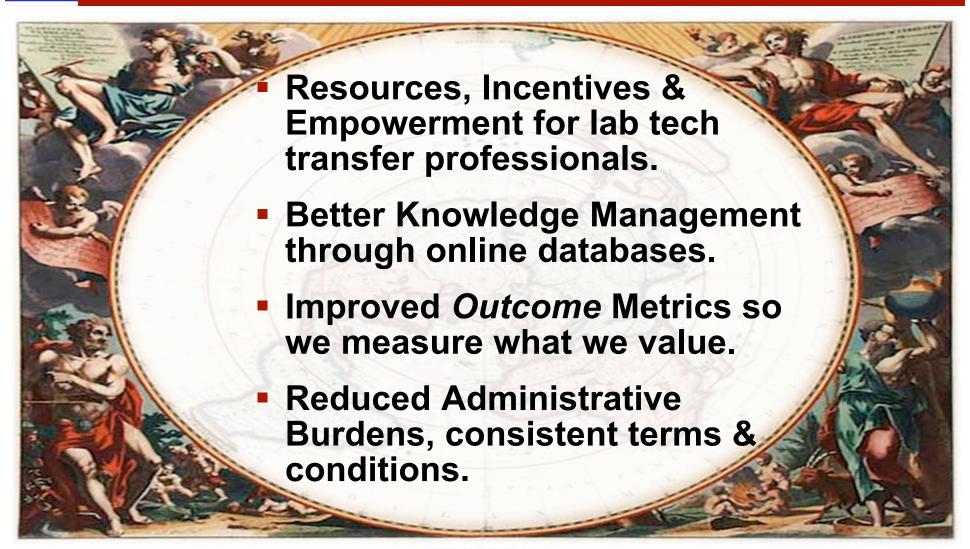
## Industry-Lab Tech Transfer What's Working Well

- Labs' outstanding research endeavors bring unique tools and talents.
- People-based tech transfer.
- 50-year history of close partnerships and transferred technology (e.g. NIH).





# Industry-Lab Tech Transfer What Needs Improvement





## Industry-Lab Tech Transfer Inherent Conflicts





## Long-Term Challenges for Industry-Lab Partnering & Tech Transfer



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## Innovation in America Reasons for Hope



White House photo by Eric Draper

- Unprecedented federal investments in R&D will keep innovation engines greased.
- Significant efforts are under way to improve outcome metrics, ORTA education & knowledge management.
- **Technology Transfer** frameworks are fundamentally sound.

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## Why Innovators Move Offshore

- Lower Costs (Researchers, Facilities)
- Talent (Researchers, Foreign Clusters)
  - -Market Access
- Financial incentives (e.g. tax rebates)
- Host nation infrastructure (new labs, Us)
- Easier Regulations (environmental, labor)
- More favorable IPR terms (with partners)
  - Proximity to Offshore Manufacturing



## Why Innovators Stay Here

- Talent (Researchers, Universities, Lab partners, immigrants)
- •Best business climate (competition, market-based, low tax, manageable regulation, easy access to capital)
  - Best IP Protection (best patent office, best IPR enforcement)
  - Biggest Market in the World (consumer, military, government)
  - •Rule of Law, Political Stability, Honest Government, Transparency
  - Culture fit (entrepreneurship, welcoming innovation, meritocracy)
- Best Quality of Life (democracy, freedoms, clean environment, schools)
  - Best Infrastructure (transportation, energy, telecom)
  - Unmatched National commitments & investments in R&D
    - Tradition, national pride, cost of exportingy Eric Draper